



February 16, 2017

Via Electronic Filing

Marlene H. Dortch, Secretary
Office of the Secretary
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

Re: Notice of Ex Parte In the matter of Connect America Fund (WC Docket No. 10-90);

Dear Ms. Dortch,

On February 14, Paul Carliner (CEO of Bloosurf Inc.) and Michael Morgenstern (Consultant to Bloosurf Inc.) met with Jay Schwarz and Rachael Bender from Chairman Pai's Office, Amy Bender from Commissioner O'Rielly's Office and Claude Aiken from Commissioner Clyburn's Office. The purpose of these meetings was to discuss the assignment of weights for the upcoming Connect America Fund II reverse auction.

Bloosurf presented new weights for the FCC to consider when determining how to design the CAF II auction. These weights differed from Bloosurf's original filing. Specifically, Bloosurf referenced information (attached) indicating that the costs of equipment providing Tier 3 services differed by 2.5x the costs of equipment providing Tier 2 services and thus a weight of 50 is preferable between Tier 3 and Tier 2. In addition, Bloosurf suggested that the current guidelines were unclear on which Tier's baseline price would be applied.

Pursuant to Section 1.206 of the Commission's rules, this letter is being filed via ECFS, and a copy will be provided via email to the attendees. If you have any questions, feel free to contact me at 410-957-6060.

Sincerely yours,

A handwritten signature in black ink, appearing to read "P. Carliner", written over a horizontal line.

Paul Carliner, CEO

CC: Jay Schwarz, Rachael Bender, Amy Bender, Claude Aiken

Tier 2 Vs. Tier 3 Fixed Wireless Requirements

Tier 2 Fixed Wireless Requirements

- Requires three sector antenna array serving 120 degrees each
- 30-50 customers per sector* (approximately 100-150 customers per array) to allow for acceptable oversubscription
- Core networking costs can be contained with lower bandwidth and data caps
- Tower backhaul and Internet transit costs can be contained by relying on data caps
- No CPE upgrade required

Tier 3 Fixed Wireless Requirements

- Requires six sector antenna array to allow for spectrum reuse
- 15-25 customers per sector* (approximately 100-150 customers per array) to allow for acceptable oversubscription
- Additional core network capacity to accommodate additional bandwidth and no data caps
- Additional tower backhaul and Internet transit costs to accommodate additional bandwidth and no data caps
- Requires CPE upgrade to accommodate 100Mbps

- Doubling the number of antenna sectors to allow for reuse of licensed spectrum doubles the OSP CAPEX.
- Bolstering the network core, Internet transit and CPE increases CAPEX by an additional 50%.
- Total additional CAPEX to participate in Tier 3 is 2.5X the CAPEX required to participate in Tier 2.

\$100 bid in Tier 2 / \$300 reserve price = bid score of 33 with 0 weight

\$250 bid in Tier 3 / \$300 reserve price = bid score of 83 with 0 weight or 33 **with a weight differential of 50**

* Most towers don't offer a balanced exposure to clients.